

Steps in a School Bond Election

Guideline

This publication is intended to serve as a guide for Iowa schools to follow in school bond elections.

It refers to the Code of Iowa in cases where the law required certain specified procedures. Laws do change and opinions of the attorney general's office may change the interpretations of laws. Therefore, thoroughly investigate all laws and opinions relating to school bond elections.

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Step One: Determining Needs

Why is there a need?

- A. Buildings are unsafe.
- B. Buildings are outdated.
- C. Buildings cannot be modernized because of design or cost.
- D. Special facilities are needed.
- E. A better educational program is needed.
- F. Over-crowdedness.
- G. Buildings are destroyed.
- H. Technology.
- I. Other.

Who determines the need?

- A. The school board.
- B. The administrative staff.
- C. The teaching staff.
- D. The nonprofessional staff.
- E. The PTA or PTO.
- F. Concerned citizens' groups.
- G. The student body.
- H. Any individual in the district.
- I. Others.

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Step Two: Assessing Needs

The school board assumes its responsibility (legally by a motion in its minutes) to investigate the reported need. The board appoints a chairperson to head a citizens' committee composed of a cross-section of the community. The chairperson appoints subcommittees to investigate areas that are thought to be important.

The chairperson of each subcommittee and the chairperson of the citizens' committee will act as a steering committee for the board. After the investigation, the steering committee compiles its report and makes recommendations to the board.

There are many areas that the committee may wish to investigate, some of them are:

- A. Present and future enrollments.
- B. How well the facilities serve the needs of the present educational program.
- C. Planned changes in the educational program and related changes in facility requirements.
- D. The physical condition of the building(s).
- E. The financial status and the bonding capacity of the district.
 - The bonding capacity of a school district is based on the actual evaluation of the property within the district. Districts may become indebted to a figure equal to five percent of their actual valuation less the present indebtedness. The actual valuation figure for each district is available from the office of the county auditor. (296.1)
 - A school board may certify an amount, not to exceed \$2.70 per \$1,000 of assessed evaluation, to pay the principal and interest owed in any one year. (298.18)
 - If the amount of money required to pay the principal and interest exceeds the above limitation, the board may ask the voters to approve an increase in the levy of up to \$4.05 per \$1,000 of assessed valuation. (298.18)
 - The proposition to exceed the \$2.70 limit and the proposition specifying the needed increase may be voted on at the same time. Sixty percent of those voting must approve both measures before the additional amount can be levied.
 - Also, interest on invested monies made available by the bond issue shall be used to pay principal and interest as it comes due or to fund the construction of the project made possible by bond issue. (12C.9)
- F. New approaches to educational methodology, technology and the kinds of space required for each.
- G. Other special areas - a new site, additional course offerings, expanded extracurricular activities, possibilities of remodeling, etc.

If the committee concludes that new or different spaces are needed, the board accepts the recommendations in its minutes.

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Step Three: Educational Specifications

District educators must prepare educational specifications describing the spaces needed to house the adopted educational program. They may wish to secure the services of an educational consulting firm for assistance in this step.

The following web site may be of interest. It contains a list of articles on developing educational specifications.

http://www.edfacilities.org/ir/edfacilities_planningll.cfm

The board must employ an architectural firm to study the specifications, determine the kinds of new spaces needed, and help develop preliminary sketches of a building that will accommodate the specifications. Architectural, landscape architectural, or engineering design services for school construction are not subject to competitive bids for public improvement contracts. (26.4)

See Appendix A for a suggested format for the selection of an architect.
See Appendix B for a suggested format for the selection of a construction manager.

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Step Four: The Bond Issue Petition

Before a petition to election can be called, the board must project the dollar figure total cost of the project from the estimated square feet needed. This dollar figure must be included on the petition to call the election.

The board should employ a legal consultant to draw up the petition and to be in charge of all legal proceedings to safeguard procedures concerning the bond issue and the subsequent building program.

Be sure the petition is stated in broad, general terms so it doesn't limit the action of the local board in determining the site or kind of building.

Arrange information meetings for all petition takers or circulators before they begin circulating petitions to gain the necessary signatures. These meetings should emphasize the necessary legal information, facts and figures about the needed building program.

Circulate the petition in all parts of the district. This way, more people have a chance to sign the petition and petition takers can tell all residents of the district about the project. The well-known political block system ensures excellent coverage.

Make sure petitioners sign their given names. For example: Not Red Jones, but Raymond J. Jones; and not Mrs. Elmer John, but Arlene Selma John. The address of the petitioner must also be included.

At least 25 percent of the number of legally qualified voters voting in the last election of school officials must sign the petition. (296.2)

When enough signatures have been obtained, a legal voter of the district must file the petitions with the president of the board and attest to the validity of the signatures.

Be sure the proposition to be voted on conforms to the petition submitted by the electorate.

If the amount of the bond issue is less than one and one-fourth percent of the assessed value of the school district, the board may call an election without the presentation of a petition. (296.2, 298.21) If petitions are not circulated, however, the board loses a good means of distributing information.

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Step Five: Calling the Election

Within 10 days after the president receives the petition, (296.2) the president shall call a meeting of the board to set the time, date and place of the election, which may be a special election or may be held at the regular election. The president shall notify the county commissioner of elections of the time of the election. (296.3)

The county commissioner shall publish notice at least 4 days and not more than 20 days before the election in a newspaper published in the district, or if there is none, in a general circulation newspaper published in the county. (49.53)

All special elections which are authorized or required by law, unless the applicable law otherwise requires, shall be held on Tuesday. A special election shall not be held on the first, second, and third Tuesdays preceding and following the primary and the general elections. A special election shall not be held in conjunction with the primary election. A special election shall not be held in conjunction with a school election unless the special election is for a school district or community college. For a school district or merged area, in the odd-numbered year, the first Tuesday in February, the first Tuesday in April, the last Tuesday in June, or the second Tuesday in September. For a school district or merged area, in the even-numbered year, the first Tuesday in February, the first Tuesday in April, the second Tuesday in September, or the first Tuesday in December. (39.2)

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Step Six: Campaigning for Passage

Now the district must inform the voting public about the bond election, stressing the fact that the money is needed to improve educational opportunities for present and future children in the school district.

Information can be shared at coffees, block meetings, room parents' meetings, PTA meetings and other public meetings.

Speakers should be available to present information to community groups including the Lions, Rotarians, Kiwanians, the Golden Agers, the Teamsters, the AFL-CIO, the Chamber of Commerce, the American Legion, the Veterans of Foreign Wars, the Farm Bureau, Toastmasters and others.

Print leaflets, brochures and pamphlets, and insert newspaper ads explaining the need for the bond election and urging voters to support it. Conclude all speeches, signs, ads and brochures with "Be sure to vote!" Encourage a large voter turnout.

Use this time to refine the preliminary drawings to ensure that they comply with the educational specifications. Get affected teaching and administrative staff to

initial their particular space or place on the preliminary drawings when it is acceptable to them. (Common sense and good judgment are important here.)

On Election Day, comply with the letter of the law governing elections. Do not leave anything to chance. Those opposing the bond issue will be looking for flaws and improper procedures.

A telephone committee should call voters during the day to remind them to vote. Start calling early and continue until the polls are legally closed.

A bond election for school buildings and/or sites must be approved by at least 60 percent of those voting. (75.1)

All ballots cast and not counted as a vote for or against the proposition shall not be used in computing the total votes cast on the issue. (75.1)

If the bond issue fails, such proposal or any proposal, which incorporates any portion of the defeated proposal, shall not be submitted again to the voters for six months. (75.1)

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Step Seven: Preliminary Plans

When the bond issue passes, the board will need to approve the final preliminary plans used during the campaigning for passage step and instruct the architect to proceed with the final building plans and specifications. These actions should be recorded in the board minutes. The final preliminary plans must be a translation of the educational specifications to a tangible building that will serve the educational needs of students today, as well as in the future.

All newly constructed buildings and structures of which is paid for in whole or in part with moneys appropriated by the state but which are not wholly owned by the state are subject to the plan review and inspection requirements of the State Building Code Commissioner's office. If a city within the school district has adopted a building code, electrical code, mechanical code, and plumbing code and performs inspections pursuant to such codes, such buildings or structures shall be built to comply with such codes. However, if a governmental subdivision or city has not adopted a building code, electrical code, mechanical code, and plumbing code, or does not perform inspections pursuant to such codes, such buildings or structures shall be built to comply with the state building code and shall be subject to a plan review and inspection by the commissioner or an independent building inspector appointed by the commissioner. A fee shall be assessed for the cost of plan review and the cost of inspection. (103A.10A)

The State Building Code Commissioner's Office will check to see that the building is accessible to the physically disadvantaged and that it meets state energy efficiency standards.

The board must submit the final plans to the state fire marshal for approval. (100)
The board if applicable must submit plans in accordance with the Life Cycle Cost Analysis requirements. (470)

The board must also be in compliance with the Minimum Plumbing Facilities for all places of public gathering. (104B)

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Step Eight: Selling Bonds

Between the time the board approves the preliminary and final plans, it should prepare to sell the voted bonds by:

- A. Employing a competent bonding attorney to handle the transaction-No commission may be paid in connection with the sale of school bonds. The only allowable expenses are those incurred in advertising. (75.6)
- B. Preparing a brochure for interested bond buyers describing the financial condition of the district.
- C. Publishing a notice of sale for two or more successive weeks in at least one newspaper located in the county. The time and place of the sale, the amount to be offered and other pertinent information must be included. (75.2)

Public bonds issued by school districts may be in one or more denominations as provided in the proceedings of the governing authority. (75.10)

No bonds may be sold at less than par, plus accrued interest. (75.5)

Conform to the rules as provided for in the Code of Iowa. (74A.6)

Bonds shall not run for more than twenty years, and be payable semiannually. (298.22)

Expenses for printing and engraving bonds may be paid from the general fund. (298.22)

Bidders may submit sealed bids any time before the call for open bids. (75.3)

The board may call for open bids only after all sealed bids are filed. The secretary should note the best open bid in the board minutes. Then the sealed bids should be opened and the best sealed bid noted in the minutes. (75.3)

The board may accept the lowest bid, or may reject any or all of the bids and advertise a new sale. (75.4)

When the bonds are issued, the secretary of the board registers them in a book kept for that purpose, and delivers them after they have been properly countersigned. The president of the board must sign the bonds and the secretary must countersign them. (298.22)

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Step Nine: Final Plans, Specifications, and Bidding Requirements

The next important step is the approval of the final plans and specifications. This approval should be recorded in the minutes of the board of education.

The board must:

- A.** Adopt proposed plans and specifications and a proposed contract form for any improvement costing more than \$100,000 and set a time and place for hearing. The board must hold a hearing to enter into a contract for the public improvement costing more than \$100,000 (73A.2).
 - Notice of the hearing must appear in at least one general circulation newspaper at least 10 days before the hearing. (73A.2)
 - At the hearing, any person interested may appear and file objections to the proposed plans, specifications or contract for, or cost of such improvement. The school district shall hear objections and evidence for or against, and enter of record its decision. (73A.3)
 - The procedures for dealing with objections and appeals are discussed in the Iowa Code Sections 73A.4 to 73A.15.
- B.** Comply with Iowa Code Chapter 26 Public Construction Bidding.
 - If the estimated total cost of the construction project exceeds the competitive bid threshold of \$100,000, the school district must advertise for sealed bids for the proposed public improvement by publishing a notice to bidders. (26.3)
 - School district shall not divide the public improvement project into separate parts, regardless of intent. (26.5)
 - Provide notice to bidders that shall be published at least once, not less than 4 days and not more than 45 days before the date for filing bids, in a newspaper published at least once weekly and having general circulation in the school district. (26.3)
 - Additionally, the school district may publish a notice in a relevant contractor organization publication and a relevant contractor plan room service with statewide circulation, provided that a notice is posted on a website sponsored by either a governmental entity or a statewide association that represents the school district. (26.3)
 - Notice to bidders shall adequately notify a potential bidder of a proposed bid and shall include the following items:
 - a.** The time and place for filing sealed proposals.
 - b.** The time and place sealed proposals will be opened and considered on behalf of the school district.
 - c.** The general nature of the public improvement on which bids are requested.
 - d.** In general terms, when the work must be commenced and completed.
 - e.** That each bidder shall accompany the bid with a bid security and as specified by the school district.
 - f.** Any further information which the school district deems pertinent.
 - g.** Notice to bidders may provide that bids will be received for the furnishing of all labor and materials and furnishing or installing equipment under one contract, or for parts thereof in separate sections. (26.7)

- C. Require bid security.
- Each bidder shall accompany its bid with a bid security as security that the successful bidder will enter into a contract for the work bid upon and will furnish after the award of contract a faithful performance of the contract, in an amount equal to 100% of the amount of the contract. (26.8)
 - The bid security shall be in an amount fixed by the school district, and shall be in the form of a cashier's check or certified check drawn on a state-chartered or federally chartered bank, or a certified share draft drawn on a state-chartered or federally chartered credit union, or the school district may provide for a bidder's bond with corporate surety satisfactory to the school district. The bidder's bond shall contain no conditions except as provided in Iowa Code 26.8.
 - The school district shall fix the amount of bid security prior to ordering publication of the notice to bidders and such amount must equal at least 5%, but shall not exceed 10%, of either the estimated total contract cost of the public improvement or the amount of each bid. (26.8)
 - When opening and considering bids, the date and time that each bid is received by the school district, together with the name of the person receiving the bid, shall be recorded on the envelope containing the bid. All bids received after the deadline for submission of bids as stated in the project specifications shall not be considered and shall be returned to the late bidder unopened. The school district shall open, announce the amount of bids, and file all proposals received, at the time and place specified in the notice to bidders. (26.10)
- D. By resolution, the school district will award the contract for the public improvement project to the lowest responsive, responsible bid submitting a sealed proposal. All bids may be rejected if not satisfactory and new bids requested. (26.9 and 73A .18)
- E. The school district shall report the results of the bidding with the school board's recommendation to the next regular school board meeting or at a special school board meeting called for that purpose. (26.11)

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Step Ten: Construction

Project procurement in the public sector for the state of Iowa is based on a design / bid / build process, in which the lowest responsive and responsive bidder is awarded the contract. Bidding guides and manuals are available at this website: <http://www.mbsonline.com/bidding-guides-manuals>.

The board should insist on regular and frequent inspections by the architect. No changes in the plans or specifications should be made without a written change order signed by the architect.

On large projects, the board may employ a "clerk of the works" also called a construction manager, to work with the contractors and architects to see that the plans and specifications are being followed. See Appendix B for selecting a construction manager.

Finally, the board should instruct its secretary to pay for work completed and for materials received, as approved by the architect.

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Step Eleven: Completion

After the building is completed, the board should hold an open house to give the public a chance to view and inspect the new facility.

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Appendix A – Selecting an Architect

Design Competition

The district compensates several architectural firms for designing and planning a building before any firm is hired. This method is time-consuming, expensive and rarely used.

Direct Appointment

The board selects an architectural firm on the basis of its knowledge of the firm's reputation, experience, ability and past performance.

Comparative Selection

- A.** The board contacts a number of architectural firms and informs them of the general nature of the project and inquires whether an architect from the firm is interested in competing for the commission.
- B.** All interested architects are asked to submit detailed information about their firms to the selection committee for review. The information submitted should include:
 1. The name, address and type of organization.
 2. A brief history of the firm, its record of growth, types of work and any specialties.
 3. A list of the key staff members and the professional background of each.
 4. A list of projects completed in recent years, including type, size, cost, location and date.
 5. A list of references, including clients, contracts and financial institutions.
 6. A statement of policy for the handling of the project, participation of key staff, assignment of personnel, engineering services and other special services.
 7. A copy of the firm's brochure, plus plans and photos of completed projects.

- C. After reviewing the submitted information, the board should select three or four architects for personal interviews. The interview schedule, allotting the same amount of time for each architectural firm, should be available to all concerned parties.
- D. After the interviews, the selection committee should visit the home office and the completed projects of each architect before it makes the final selection.

Listed below are additional resources you may wish to look at about architects.

<http://architectfinder.aia.org/>

<http://network.aia.org/AIA/CommitteeonArchitectureforEducation/Home/Default.aspx>

<http://www.greenschoolbuildings.org/Homepage.aspx>

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Appendix B - Selecting an Construction Manager

Direct Appointment

The board selects a construction management firm on the basis of its knowledge of the firm's reputation, experience, ability and past performance.

Comparative Selection

- A. The board contacts a number of construction management firms and informs them of the general nature of the project and inquires whether an architect from the firm is interested in competing for the commission.
- B. All interested construction management firms are asked to submit detailed information about their firms to the selection committee for review. The information submitted should include, but not be limited to:
 - 1. The name, address and type of organization.
 - 2. A brief history of the firm, its record of growth, types of work and any specialties.
 - 3. A list of the key staff members, with the professional background of each.
 - 4. A list of educational projects completed in recent years, including type, size, cost, location and date.
 - 5. A list of references, including clients, contracts and financial institutions and architects.
 - 6. A statement of their construction management approach and proposed services, including the assignment of personnel and other special services.
 - 7. Past record of performance of the firm regarding quality of work, ability to work within budget constraints, ability to meet schedules, and follow-up on building problems after substantial completion.
 - 8. A copy of the firm's brochure, plus plans and photos of completed projects.

- C. After reviewing the submitted information, the board should select three or four construction management firms for personal interviews. The interview schedule, allotting the same amount of time for each firm, should be available to all concerned parties.
- D. After the interviews, the selection committee should visit the home office and the completed projects of each construction manager before it makes the final selection.

Listed below are additional resources you may wish to look at on construction management.

<http://www.edfacilities.org/search/index.cfm>
<http://www.cmaanet.org/>

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Appendix C - Additional Resources

The following links will provide you with resources in planning and constructing a school.

<http://www.edfacilities.org/ir/irlinks.html#orgs>